GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:719
ANSWERED ON:06.12.2004
FOODGRAIN TRADE BY FARMERS
Jagannath Dr. M.

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government propose to remove State control on the trading of foodgrains and give farmers freedom to market their products with provisions for a safety net;

(b) if so, the details thereof;

(c) whether the Government proposes to establish a chain of rural and semi-urban godowns with warehousing and foodgrain banking facilities to help farmers to store and sell through the warehouse; and

(d) if so, the action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a) & (b): Government has removed all controls on foodgrains, viz. licensing, stock limits and restrictions on inter-State movement by issuing a Notification on 15.2.2002 with an amendment dated 16.6.2003, according to which any dealer can freely buy, stock, sell, transport, distribute, dispose, acquire, use or consume any quantity of wheat, paddy/rice, coarsegrains, sugar, edible oilseeds and oils, pulses, gur, wheat products and hydrogenated vegetable oil or vanaspati and shall not require any licence or permit therefor.

This Notification has ensured free trade and movement of foodgrains and best prices to farmers for their produce.

(c) & (d): Government is implementing a Central Sector Scheme of Construction of Rural Godowns under which subsidy is provided on capital cost of the storage project to persons belonging to private and co-operative sectors. The scheme has helped the farmers to store their produce near the field, obtain pledge loan and marketing credit from the banks, thereby avoiding distress sale at the time of harvest. The scheme is being implemented since March, 2001 and so far 6974 storage projects have been sanctioned by banks to create 115.1 lakh tonnes of rural storage capacity in the country.